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DEPARTMENT FOR EUR/CE, EUR/ERA, EEB/TRA
DOE FOR CHRISTINE BENT

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SUBJECT: MEGAPORTS INITIATIVE: DOE SEEKS GERMANY'S PARTICIPATION

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1. (U) SUMMARY: A DoE team visited Germany December 8-11 to promote the inclusion of the ports of Bremerhaven and Hamburg in their Megaports Initiative. The Initiative aims at providing equipment, training, and technical support to international partners to enhance their ability to deter, detect, and interdict illicit trafficking of special nuclear and other radioactive materials in the global maritime system. Currently, 28 ports worldwide and 7 in Europe are operational Megaports. The DoE team provided comprehensive presentations on the Initiative (including German translations of presentations and a draft Memorandum of Understanding), and held in-depth discussions with German governmental and port officials, as well as with commercial terminal operators. The team also provided background material on radiation portal monitors (RPM) and handheld detection technology. Local interlocutors questioned the connection between the Megaports Initiative, Container Security Initiative (CSI), and Secure Freight Initiative (SFI) and expressed concerns about the impact of the Initiative on port operations and staffing, management of transshipments and data protection. The federal ministries will convene at the end of January to evaluate the DoE visit and provide an initial response to the USG's request for Germany to participate in the Megaports Initiative. END SUMMARY.

Broad Participation, Risk (Un-) Awareness, Concerns De-Mystified

2 (SBU) From December 8-11, two representatives from the Department of Energy (DoE) visited Germany in order to encourage the ports of Bremerhaven (for the second time) and Hamburg (in an initial visit) to join the Megaports Initiative, through which the DoE provides equipment for scanning shipping containers for radiation risks. DoE had previously raised the issue in a 2005 visit to Bremerhaven. DoE encouraged broad participation in the briefings and turnout was impressive. DoE's first meeting was held in Bonn and was attended by twelve individuals representing the relevant stakeholders on the federal level: the Ministry of Finance, Ministry of Transportation, Construction and Urban Development, Ministry of Economics and Ministry of Interior. In Bremerhaven and Hamburg, harbor authorities, customs officials, harbor police, and

representatives from the Interior and Economics ministries attended the briefings and site tours. Private businesses and associations were also represented, including terminal operators (Eurogate, HHLA, NTB, MSC Gate), the Company Association Port of Hamburg, the Bremerhaven port development organization and the Central Association of German Seaport Companies.

¶3. (SBU) Not all German government agencies perceived a threat derived from the potential proliferation of radioactive materials. Officials from the Federal Ministry of Transportation and from one port authority remarked on the margins that, "it is very unlikely that terrorists would try to traffic a radioactive device or nuclear material via a container." By contrast, representatives of the Federal Finance Ministry and Federal Interior Ministry pointed out that the threat to the shipping industry of illicit nuclear and radiological shipment is real and stressed that that they take it very seriously. The representative of the Bremen Ministry of Economics and Ports was most blunt, stating: "We don't want terrorism and dirty bombs... This meeting is meant to see whether there are ways that we can cooperate." She also reiterated the philosophy at the Port of Bremerhaven that only a secure and efficient port is a competitive port. Even if the interagency process does not result in a unified position there is a chance that the ports, particularly the Port of Bremerhaven, might unilaterally join the Megaports Initiative. In fact, the Hamburg economics ministry representative said on the margins: "Given Bremerhaven's reliance on trade with the U.S., it will not be possible to hold them back. They would go ahead on their own."

¶4. (SBU) The DoE team successfully corrected a number of misperceptions about the Megaports Initiative. One representative from the Federal Finance Ministry for example was concerned about "huge monitors" and buildings which would

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present a problem to the ports as a result of space limitations. DoE pointed out the relative modest size of RPMs by showing pictures of the technical equipment and encouraged visits to nearby Megaports facilities, including those in Rotterdam. Another concern focused on the radiation detection equipment employed, with the assumption that the USG would force its own equipment on partner nations under a "Buy American" proposition. A Ministry of Economics representative was visibly relieved when told that the U.S. would not impose its own technology; he later requested a list of German companies that meet Megaports Initiative standards. There was widespread fear among interlocutors that truck drivers or other persons in the vicinity of RPMs could be exposed to radiation. Reassurances that DoE's Megaports Initiative equipment is completely passive and does not emit any radiation were received with surprise and relief. Contacts were similarly pleased to hear that the Initiative does not envision scanning 100 percent of all containers.

¶5. (SBU) Several representatives voiced frustration about the many disparate USG initiatives designed to secure shipping. While underscoring that there is unfortunately no silver bullet to protect shipping, the DoE team seemingly managed to clarify the distinct objective of the Megaports Initiative and its interface with CSI and SFI (about which Germans have strong reservations). However, DoE's statement that participation in the Megaports Initiative is already half of the equation to meet SFI's looming 100 scanning requirement might prove very effective. The same holds true for DoE's mentioning that ports vetted through the Megaports Initiative will enjoy privileged, and thus quicker, handling at U.S. ports.

Challenges Remain: Transshipments, Data Protection, Ownership

¶6. (SBU) Terminal operators noted the large number of

transshipments at the port of Bremerhaven (e.g. 50-60 percent of traffic at Eurogate, MSC Gate, NTB is transshipment) and wondered how these containers could be included in the Megaports Initiative. The DoE team conceded that covering transshipments is challenging. However, they referred to a pilot project at Freeport in the Bahamas, where 99 percent of the transshipments are scanned using a special straddle carrier. The representative from MSC Gate noted that Freeport's transshipment volume is minimal compared to Bremerhaven's and Hamburg's, but offered to investigate Freeport's experience with this straddle carrier. DoE also stressed that cutting-edge straddle carrier technology was pursued vigorously, which prompted one representative to interject that operations at HHLA's terminal are fully automated and do not rely on straddle carriers but, rather, automatically guided vehicles.

¶17. (SBU) The handling of RPM-generated data was a consistent point of concern. The suspicion that sensitive data could somehow be collected and used by the USG for economic espionage was palpable at every meeting. The DoE team pointed out that it is the responsibility of each host country to collect data, and determine which data will be shared with the USG. They reiterated that the USG expects to receive data only in instances where there is a positive identification of a radioactive shipment. The team stressed that the vast majority of data is innocuous and that proprietary information is not gathered. This resonated with some, but certainly not all, interlocutors. A representative of the Federal Ministry of Transportation for example stated on the margins: "We are told that data sharing is subject to separate agreements. However, we all know that if the U.S. wants some information it is going to get it. This is clearly going to happen -- at the latest, when the SFI is in place."

¶18. (SBU) The question of who has lead responsibility within the German government on the Megaports Initiative must be answered before Germany can commit to its participation. Should there be a German decision in favor of the Megaports Initiative, the Customs Department would most probably be tasked with implementing it. Meanwhile, a Federal Finance Ministry official

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stressed: "I guess we are responsible, whether we like it or not." One state interlocutor indicated that custom's reluctance might be due to financial and personnel stresses.

¶19. (SBU) COMMENT: Germany has been aware of the Megaports Initiative for seven years. To date, no German ports are participating in the program. German officials repeated many of the concerns raised during DoE's previous Megaports delegation visit to Bremerhaven in 2005. DoE representatives responded to these concerns by citing the experiences gained managing Megaports implementation at many other major seaports in the intervening years. (Note: In 2005 there was just one operational port in the EU; at the end of 2009 there were seven in Europe, and 28 worldwide. End Note.) In addition, DoE's inclusive approach (simultaneous outreach to all stakeholders on state and federal level) and its ability to meaningfully address even the most difficult questions was well-received by the Germans. Ideally, the interagency meeting at the end of January 2010 will indicate which position the Germans will take. Germany may possibly reach an interagency agreement this month on the issue of Megaports participation. This decision will, however, not mean an end to skirmishes over (potential) ownership of the initiative, and debates on staffing, data protection and financing. The factors in favor of a positive decision include competitive pressures (the ports in Rotterdam and Antwerp are rivals of both German ports), and the perception that the Megaports Initiative might ease Bremen's and Hamburg's transition to SFI's 100 percent scanning requirement. The main factors complicating a decision in favor of the Megaports Initiative are bureaucratic (unresolved competency issues), technological (high percentage of transshipments which cannot be covered with today's radiation technology) and psychological (widespread suspicions that data privacy could be compromised).
END COMMENT.

1110. (U) This message has been coordinated with Embassy Berlin.
JOHNSON